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GOVERNOR BARBOUR ANNOUNCES FY '09 BUDGET REVISIONS

***Two percent adjustments protect education priorities,
including MAEP***

(JACKSON, Mississippi) – Due to state tax collections falling 2.3 percent below revenue estimates, some state agencies must adjust their budgets downward by two percent for Fiscal Year 2009, Governor Haley Barbour announced today.

The cuts, totaling \$41.9 million, are mandated by Mississippi Code §27-104-13, which requires the State Fiscal Officer to balance the budget when state revenue falls below estimates for the fiscal year. However, the November budget revisions will not affect funding for such education programs as the Mississippi Adequate Education Program (MAEP).

“As Governor, it is my duty to abide by the law, which requires the state to maintain a balanced budget each fiscal year. These revisions meet that goal while maintaining our strong commitment to educational priorities, like MAEP, vocational-technical programs and, at the university level, student financial aid,” Governor Barbour said.

The revisions will not impact other education-related spending, such as support for Mississippi Schools for the Blind and the Deaf. Other programs excluded from the changes include the Mississippi Department of Health, the Department of Human Services-Family and Children Services and Youth Services; and the Division of Medicaid.

“I understand this action is not easy for any office. However, we must protect the taxpayers’ dollars,” Governor Barbour said. “I hope the Legislature also finds a way to save 2 percent from its spending.”

In order to provide maximum flexibility for agencies to absorb budget cuts, Governor Barbour has requested that agencies with multiple budgets be allowed to adjust their cut percentages among individual budgets as they choose, as long as the cuts do not exceed five percent.

The Governor's announcement comes on the heels of economic downturns in the national and international economies, which are affecting many states' budgets.

"The past few months have made it clear our national and global economies are facing hard times, and it's imperative we realize Mississippi is not immune," Governor Barbour said. He said the state must continue the practice of prudent budgeting implemented when he took office in 2004 in order to successfully weather economic uncertainty.

Agencies are required to submit their revisions to the Department of Finance and Administration Office of Budget

and Fund Management by November 17, 2008. The cuts will go into effect immediately.